

memo to mailers

USPS eases requirement

In response to mailers' concerns, the Postal Service is removing uniform placement of address elements as one of the proposed implementation requirements associated with the classification reform case pending before the Postal Rate Commission (PRC).

A notice was sent to the Implementation Advisory Group for Addressing, amending proposals appearing in the August 30 edition of the *Federal Register*. The group is made up of mailers and postal experts who are designing the new requirements.

Concerns expressed by mailers and mailer organizations caused the USPS to conclude the addressing requirement "warrants further review and consideration," said Robert Krause, manager, Address Management.

"Uniform placement of address elements will not be included as a requirement for the proposed classification reform changes that we plan to publish for notice and comment in a forthcoming *Federal Register* edition," Krause added.

However, Krause strongly recommends that mailers include uniform address placement in their address improvement efforts.

The Postal Service filed the classification reform case with the PRC in March.

The PRC is expected to make its recommendation to the USPS Board of Governors in January. Rules implementing the changes could begin taking effect in late spring of 1996.

FASTNET™ fits local package mailers perfectly

The Postal Service is expanding a test of a new service to 12 additional metropolitan areas for local business mailers seeking low-cost, highly reliable, next-day delivery of packages. It is called FASTNET™.

USPS Merchandise Based Services Manager Dave Shinnebarger said, "Initial tests show that our customers and employees are excited about this very competitive service. Customers are pleased because of

the low cost and high reliability."

Business customers are provided with FASTNET Merchandise Delivery labels that carry a barcode for internal performance monitoring, tape, and purple colored sacks for clear identification.

"Employees are excited because, unlike most of our other services, FASTNET originates and destines within the same metropolitan area. That means the employees in each district

See FASTNET page 3

FASTNET RATE COMPARISON

FASTNET MERCHANDISE DELIVERY

Get a leg up on the competition

Weight up to	Too much	FASTNET
2 LBS	\$3.16	\$2.31
3 LBS	\$3.27	\$2.44
5 LBS	\$3.51	\$2.65
10 LBS	\$4.06	\$3.10

Note: This service is available to commercial business customers and is not sold at USPS retail units. It is for packages weighing up to 70 lbs.

ADVANCE facilitates timely delivery of advertising mail

*An advertising mail
“notification and
monitoring” program
that originated in the
USPS Southwest Area
has gone national.*

Recognizing that timely delivery of advertising messages is critical to the financial success of its customers, the USPS designed a system, called ADVANCE, that electronically notifies postal facilities that advertising mail is coming and notes the dates the customers want delivery. More importantly, coordinators around the country follow-up to ensure timely delivery.

Service Management Policies and Programs Manager Robert St. Francis said, “This is an excellent example of using the latest technology to give our internal and external customers the information they need.”

There are 7,000 postal delivery units nationwide representing over 9,000 five-digit ZIP Codes that must reply several times to the tracking notices sent by the 10 area offices. The delivery units are required to notify the areas when the mail arrived, when delivery began and the date deliveries were completed.

Here is how it works:

- Customer sends data file and mail piece to the National Customer Support Center (NCSC) in Memphis, TN, at least eight days before the first in-home delivery date.
- The center acknowledges receipt of the information and electronically transmits it to the 10 postal area offices.
- The area offices electronically notify the delivery units and keep track of delivery performance. The area offices also electronically transfer mailing information to the Rapid Information Bulletin Board System (RIBBS) in Memphis, where the customer has access to the information.

Monica Johnson, Direct Mail manager for Gateway Apparel of St. Louis, MO, said, “We have enjoyed working closely with the Postal Service to meet our time-sensitive delivery needs. While we are not ready to discontinue our internal tracking, I’m confident that as ADVANCE matures I will be able to rely solely on it for information.”

Peggy Ringor, the USPS Western Area coordinator, said about 700 delivery units are participating and handle an average of 10 mailings per week. “Since March 6, we have monitored 78 national mailings totaling 19 million pieces of mail,” she said.

Donna Tidwell, technical information specialist at NCSC, said customers can send files on diskette or magnetic tapes as well as electronically through CompuServe or RIBBS. “They can use whichever medium is easiest for them,” she added.

Customers can get performance information by computer and modem by dialing (800) 262-9541. To participate, call the ADVANCE coordinator at (800) 458-3181.

have control over the success of this product. In most markets we are at or near our 100 percent next-day service commitment," said Shinnebarger.

"In ProWrite's software documentation business, we frequently need next-day delivery of hard copy drafts of manuals we are writing. Because our clients are widely dispersed, we find FASTNET™ to be the most economical way of getting manuscripts into our clients' hand," said Dotty Tonjes, manager, ProWrite of Reynoldsburg, OH. FASTNET was introduced in Orlando, FL, last year to gauge customer acceptance and operational feasibility.

"FASTNET is fast, reliable and cost effective. This is the most promising service the Postal Service has come up with in years! I predict that it will take over a large percentage of the market due to the convenience and cost," said Johnny Hardrick, Shipping Supervisor, National Executive Housekeepers Association.

"Customers are extremely satisfied with an overall 98.5 percent performance rating for next-day delivery. Most of these customers were prior users of other delivery services," Shinnebarger said. The largest users in the pilot site were fulfillment houses, pharmaceutical companies, gift basket/promotional companies, printers, retailers, industrial and office suppliers and pager distributors.

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Johnny Hardrick
Shipping Supervisor
National Executive Housekeepers Assoc.

Cities and 3-Digit Service Areas where FASTNET is available

CITY	3-DIGIT ZIP CODE
Austin, TX	786, 787, 789
Baltimore, MD	210, 211, 212, 214
Buffalo, NY	140, 141, 142, 143
Columbus, OH	430, 431, 432
Hackensack, NJ	076
Indianapolis, IN	460, 461, 462
Jacksonville, FL	322
Las Vegas, NV	890, 891
Miami, FL	331
Minneapolis/St. Paul, MN	550, 551, 553, 554
Orlando, FL	327, 328, 347
San Diego, CA	919, 920, 921
Tampa, FL	335, 336, 346*

* Limited 5-digit service area

Mailers' concerns drive solutions

A simple
modification
that will save
\$5 million
a year.

Concerns raised by mailers about a plastic sack introduced during the heavy mailing season last year resulted in a simple modification that will save \$5 million a year.

The USPS Mail Transport Equipment (MTE) headquarters staff coordinated the re-design of the plastic mail sack to make it cheaper to manufacture, transport and store, saving about 20 cents per sack.

Gary Booth, a program manager in MTE, said, "Some concerns expressed by mailers about the 'Christmas sack' spurred us to find a solution. The changes were so obvious that, frankly, it is surprising they escaped discovery for quite some time."

Ralph Walker of Research and Development said the sack design changes were simple. "Instead of having a 'pleat' sewn into each sack, we are simply making the sacks a little longer. This allows them to have the same cubic capacity yet be sewn much faster and with less labor," he said.

The design of the label holder also was improved. It now allows the user to simply slip the label holder onto the sack draw cord and then fasten it. By implementing this design change, the sack manufacturer is able to avoid the labor intense process of "threading" each sack label holder through the draw cord. "This means the sacks and label holders will become separate items, but the mailers we have visited don't see this as a problem," said Booth. "In fact, many think the new design will improve their processes."

These modifications and adjustments were made possible through the close working relationship MTE has with the USPS Research and Development function at Merrifield, VA, and the Purchasing Department at headquarters.

The staff at Merrifield also is testing the feasibility of manufacturing the re-designed label holder using recycled plastic sacks. "This will be both cheaper and more friendly to the environment," said Walker.

How much do mail sacks cost?

According to best estimates of the Mail Transport Equipment staff at headquarters, a No. 3 cloth sack used by a mailer costs about 45 cents per use. On the other hand, a plastic sack used by a mailer costs only about 32 cents per use. This is primarily because of the difference in the original cost of the sacks and the number of uses a sack gets per year.

So why doesn't the Postal Service go totally to plastic sacks?

Staff calculations estimate that a sack will get about four uses per year when used by mailers, but up to 25 uses per year when used just between postal facilities. This makes a big difference in the life time number of uses a sack can get, and thus the cost per use.

The estimates are based on the \$12 price of a new cloth sack, a 35 cent price for a new plastic sack and a 25 cent per use handling expense for each. Because of these usage and cost differentials the Postal Service plans to provide mailers with the plastic "customer sacks." Also, since the Postal Service is moving more toward the use of trays and pallets, it makes sense not to be caught with a large inventory of high-cost sacks after the transition.

Networking to meet customer needs

The Postal Service in Sacramento, CA, is "customer service network country" and a role model for helping customers resolve mailing issues.

Account Representative Ron Graf said he arranges meetings between functional area specialists and customers to ensure they get optimum results from using the services of the Postal Service.

Graf said, "Instead of having to try to resolve issues after the fact and becoming a middleman, I give customers front-end assistance in preparing mail or offer resolutions to recurring problems. This frees me to focus on generating sales."

Pacific Area National Account Manager Linda Waddell said, "The network is tailored for each customer. It brings postal employees, who normally are behind the scenes, face-to-face with customers to resolve problems. The network is flexible and changes to suit customer needs. Through the network, the customer learns exactly who to contact to fix a problem. And we get a better insight on the needs of the customer."

Contributed by Joanne Whitfield, writer/editor, USPS Pacific Area.

Priority Mail is the winner in Wisconsin

WinterSilks of Madison, WI, expects to save \$400,000 in 1996 by using Priority Mail. USPS Account Representative Josie Pribbenow got the company to switch from another carrier in 1993 after they experienced yearly shipping cost increases. After a full year of using Priority Mail, *WinterSilks* conducted a customer survey and found a 75 percent

decrease in damaged packages, a 2.3 day nationwide delivery period including volume customers on east and west coasts and enthusiastic praise of "the quick service."

Company cuts costs

Using a permit imprint and presorting Priority Mail, Colonial Data Technologies Corp. (CDT), in New Milford, CT, has been able to cut costs and get better service.

USPS Bulk Mail Technician Ron Anthony advised Barry Keller of CDT about the advantages of using a permit imprint and Priority Mail.

"They send out thousands of caller I.D. units and were using a postage meter to put postage on every parcel," said Anthony.

Keller said that tip from Anthony has not only saved the company money, but has resulted in improved delivery service particularly in those areas where the Postal Service is a familiar face.

"I would estimate that using the permit imprint and presorting has saved us the hours of at least a full-time position. Also, when we use a manifest system for insured parcels, there is no extra work. We just give the manifest to the post office and it is a lot easier to label and sack because we rely on the ZIP Codes," said Keller.

CDT mails about 2,500 pieces on a "slow day" and 15,000 on a "good day" depending on whatever promotions are done by the telephone companies.

Small mailers get help

Small- to mid-size firms, or an individual entrepreneur, can get help in using the mail effectively to promote a business.

The National Mail Order Association, which was founded by the late Paul Muchnick in 1972, offers a pool of resources and contacts to those wanting to use the mail to promote their business.

The association publishes the *Mail Order Digest* and the *Washington Newsletter* for its members, who pay an annual fee of \$58. It also operates a computer bulletin board offering contacts to industry experts and events, telephone assistance, and discounts on industry publications.

For a short time, the association is offering new members a free copy of "The Marketing Professional's InfoCenter." This Windows-based information resource program normally sells for \$40. It offers a mail cost analysis tool, electronic postal rate chart, an excellent mail order marketing glossary, industry resource guide, how-to tips and more.

To join or for information, call John Schulte at (612) 788-1673 or fax (612) 788-1147.

USPS achieves record debt reduction

The USPS achieved the largest one year debt reduction in its history in fiscal year (FY)1995.

In a report to the Board of Governors, CFO and Senior VP Michael Riley said the USPS ended the year with \$7.3 billion in outstanding debt, down \$2.6 billion from the FY peak of \$9.9 billion in fiscal year 1992 and \$1.7 billion less than FY 1994.

He credited careful cash management, attention to costs, and a much needed upturn in net income.

Postal News highlights

New VPs selected

Postmaster General Marvin Runyon named Patricia M. Gibert as vice president, Retail, and James F. Grubiak as vice president, International Business.

Runyon said, "These two appointments continue our efforts to

re-orient our services to the needs of our customers in today's highly competitive communications marketplace."

Gibert will manage the evolution of post office retail lobbies into full-blown retail service and sales

centers. Her responsibilities include modernization of retail facilities, the location of new Postal Express units, and future strategic retail business alliances. Gibert previously served as assistant postmaster general of the Customer and Automation Service Department.

Grubiak was named executive director of International Postal Relations in January after a career in the private sector. Grubiak designed the Postal Service's new international business

plan that resulted in a new international business unit. He coordinates programs to serve the needs of postal customers in the burgeoning international marketplace.

Stevens heads panel

Sen. Ted Stevens (R-AK) was named chairman of the Senate Governmental Affairs Committee.

The Alaskan senator is a staunch defender of universal service at a uniform price. One of the creators of the Federal Employees Retirement System, which replaced the Civil Service Retirement System in the early '80s, Stevens also will continue to head the Post Office and Civil Service Subcommittee.

Parties pay postage

Illinois Democratic Party Officials have begun to repay about \$175,000 for the misuse of mailing permits.

State party Chairman Gary LaPaille told the Associated Press that the party has worked out a payment plan. An investigation found that both political parties improperly passed along the benefits of nonprofit bulk mailing rates to legislative candidates. Republicans paid off \$101,000.

Former carrier sentenced

A former Postal Service letter carrier was sentenced to one year in prison for stealing bank cards and \$58,312 in cash from residents on his delivery route.

Jon Eric Nelson, 38, of Salem, OR, also was ordered by U.S. District Judge Ancer Haggerty to serve three years of supervised parole following his release and to make restitution to banks and other victims.

Nelson pleaded guilty to stealing 14 cards over a 2 1/2-year period and using them to withdraw cash from various accounts.

Nelson, an 11-year veteran of the Postal Service, was fired from his job as a letter carrier out of Hollywood Station in Salem.

He had been suspended after being identified through automated teller machine photographs as the individual making unauthorized cash withdrawals on the stolen cards.

Hurricane Marilyn hits hard

Ninety percent of the 312 postal employees on the Virgin Islands lost their homes as a result of Hurricane Marilyn. All four postal facilities on the island were damaged.

A fund has been established to help employees. Donations can be sent to the: Marilyn Relief Fund, Account 26240, US Postal Service, 585 Ave FD Roosevelt, San Juan PR 00936-9991.

Card swiper jailed

A former Northwest Airlines baggage handler has been sentenced to three years in prison for stealing credit cards that were being mailed from the Midwest to New England card holders.

Joseph Nuzzo, 35, of Peabody, MA, earlier pleaded guilty to charges stemming from theft of hundreds of credit cards between 1990 and 1992 from the mails. He used the cards to purchase in excess of \$1 million worth of food, jewelry, clothing and items for his home.

He also distributed stolen credit cards to his coworkers at Logan Airport in Boston and to employees of a restaurant in Revere, MA, in exchange for 10 percent of their available credit limit. Nuzzo is among 36 people, including 10 former Northwest Airlines baggage handlers, convicted in connection with the scheme.



Patricia M. Gibert



James F. Grubiak

Priority Mail offers best service for North Carolina Company

A North Carolina mailer discovered Priority Mail supports its "quick turnaround" shipping philosophy, and is the best answer to its shipping needs.

"As our orders began to grow, we took a serious look at our shipping costs," said H. Bruce Edmondson, Operations Manager, Comfort-Trac. "We were using UPS, then found that Priority Mail could offer us the delivery service we require at a very reasonable rate."

Comfort-Trac, located in the Charlotte, NC, area, is a distributor of specially designed orthopedic contour pillows. Starting with fewer than 300 orders per week a couple of years ago, Comfort-Trac now fills more than 3,000 orders weekly. The majority of the shipments are sent using Priority Mail to locations throughout the continental United States, Puerto Rico and Hawaii.

"Our product is a specialty item that previously was obtainable only through chiropractors," said Edmondson. "We saw a market and need for the product and began offering it directly to the public. As we began to expand our advertising, our orders grew dramatically."

"We take pride in the quality of our product," said Comfort-Trac President E. Scott Davis. "One of the things responsible for our success is our commitment to ship orders within three days so customers can receive their products within five days. It goes along with our philosophy of getting the product to the customer as soon as we possibly can."

The Postal Service also offered a plant loading alternative. The company used to deck load their product onto postal trucks, but the Postal Service provided "Gaylords," an open-top, corrugated container for easier loading. "This has dramatically reduced loading time from three hours to 15 minutes," said Edmondson. "We load the product directly into

the Gaylord from the production line. It is amazingly efficient. Before, we had to stack the product and then use a hand truck to load the van."

Edmondson credited USPS Mid-Carolinas District Manager Lonzo Williams and Plant Manager Billy Smith with developing solutions to meet Comfort-Trac's growing shipment needs.

"We also have expanded our mailings using First-Class and Priority Mail for another customer for which we fulfill orders," said Edmondson.

Comfort-Trac also has benefited from the use of permit imprinting and manifesting.

"Priority Mail is important to us," added Davis. "We've had better delivery success with Priority Mail than we've had with alternate carriers."

Barcoding helps utility cut postage

Water and sewage bills mailed to customers in several counties in Maryland are flowing through the mail stream more rapidly thanks to the Washington Suburban Sanitary Commission's (WSSC) recent decision to barcode outgoing mail.

This decision was not a difficult one, according to Floyd Holt, director of the Commission's Bureau of General Services. "ZIP + 4 pre-barcoding will save us at least \$95,000 a year," he said.

"It also allows opportunities to reduce the labor involved in handling our mail on the Postal Service's side and the opportunity to increase productivity on our side," Holt added.

Laurel, MD, Postmaster Gary Ballard said that while the Laurel, MD-based utility company saves through postage discounts, the Postal Service is able to process the mail more efficiently.

WSSC mails some two million water and sewer bills per year which are processed by its staff at a rate of nearly 10,000 per day.

The Postal Service also has allowed the commission to pick up incoming mail directly from the Southern Maryland Processing and Distribution Center at 6:30 a.m. instead of picking it up later after being transported to the Laurel Post Office.

Holt is pleased with the service WSSC has received from Ballard and others within the Postal Service. "I have the utmost respect and positive feeling about our relationship with the Postal Service," he said.

As a result of its success with pre-barcoding water and sewer bills, WSSC is considering pre-barcoding all of its mail and enhancing other areas of its mailing operations.

Holt also is exploring the use of permit imprinting of postage on its envelopes to replace the company's current method of postage applied by meters.

Contributed by Rod Sallay, Communications Programs Specialist, Corporate Relations Center, Columbia, MD

MBNA and USPS sign business agreement

“The agreement reflects a commitment to maintain a quality-focused relationship ensuring communication and mutually agreed upon expectations.”

Martha Tschantz
MBNA’s Quality Assurance Department.

One of America’s largest financial institutions signed a Business Partnership Agreement with the Postal Service recently to work toward common goals to ensure quality products and services.

MBNA America Bank NA manages \$23 billion in loans. All those loans translate into First-Class letters for the Postal Service in the form of invoices and payments. The partnership agreement MBNA signed with the Postal Service signals a new wave of business management which results in improved savings and service performance for both companies.

South Jersey District Manager Elwood Mosly said “MBNA is the first financial institution of its size to sign an agreement with the Postal Service. We see this as an opportunity for MBNA and the Postal Service to improve service to our mutual customers.”

The partnership agreement is based upon Malcolm Baldrige Quality Award criteria that identify

needs and opportunities for improving service, revenue and cost avoidance.

Senior Postal Advisor John Cochran, Jr., said, “The agreement reflects a commitment to maintain a quality focused relationship ensuring communication and mutually agreed upon expectations. At MBNA we believe success is never final. We have to keep moving with the latest technology available in order to be the best. This agreement will put us on the road to doing that.”

In the agreement, the Postal Service has a goal to reduce misdeliveries and maintain processing and delivery schedules with 100 percent efficiency.

MBNA agrees to maintain clean address lists to meet automated addressing standards and to reduce undeliverable as addressed pieces. The company will ensure that return pieces will be readable by Postal Service automation.

Together, the parties agree to meet regularly and provide feedback on the success of the program. Both parties are responsible for ensuring the greatest opportunity for postage discounts, reduced mail handling and consistent delivery reliability.

“Both sides win,” said Delaware Plant Manager Larry Jones. “We get quality mail from the customer that is ready for automated processing. The customer gets our best service.”

Jones added that while this partnership agreement is not the first of its kind for the Postal Service, it is an opportunity for a great impact on service. MBNA sends and receives nearly 300 million pieces of letter mail annually.

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